REMARKS

Claims 1-158 are pending in this application.

The Examiner objected to claims 1-158 under 35 USC 101 and 35 USC 112. The claims are amended and therefore recite statutory subject matter. Specifically, claims 1, 71, 82, 87, 99, 100 and 137, have been amended to specify the execution of program code in a computer system to enable the negotiation process with negotiation software agents. These claims have additionally been amended to specify their utility over a computer network.

Claims 112, 133 and 136 have similarly been amended to specify the execution of programming by a computer system and the use of a communications network for negotiation agents to communicate with each other. Claims 157 and 158 have been amended to specify the use of computer program product comprising a machine readable medium on which is provided program instructions for performing a method for procurement by employing the execution of program code in a computer system and the negotiation process across a communications network.

It is advanced that these amendments satisfy the objection of the Examiner and that these claims are in position to grant.

The Examiner rejected claims 1-158 under 35 U.S.C. 102(e) as being anticipated by Ferstenberg et al. (Ferstenberg).

Regarding the examiner's request for description of the modules used in the system, we refer to page 42, lines 8-20, of the disclosure, which are the first two

paragraphs of the "Detailed Description of the Main Embodiments." Also please refer to Fig. 1 which describes the structure of the overall system.

The respondent would like to point out several distinctions between the Ferstenberg (318) patent and the present invention. In doing so, we will refer to drawings in the disclosure and accompanying detailed descriptions of the figures.

The claimed invention enables automated negotiation for procurement of an item. A buyer uses an intelligent negotiation agent to access a distributed network and obtain information about items directly from sellers' intelligent negotiation agents. For example, if the buyer wants a computer, the agents describe the features such as chip speed, HDD, RAM, software, monitor and so on and request a bid from multiple sellers. The buyer's intelligent negotiation agent, and inter-agents, then engage(s) in a negotiation directly and simultaneously with each of the sellers' intelligent negotiation agents to obtain the desired item. The present system does not use a central portal that intermediates between parties. The system disintermediates the negotiation and sales process, thus freeing buyers and sellers from a central portal.

This present model uses a distributed computer system, such as the Internet, in order for buyers to negotiate directly with multiple sellers. This complex distributed negotiation and sales model requires solving a range of problems.

The respondent would like to draw the attention of the examiner to specific figures of the disclosure of the present invention to further describe the distinctive differences of the present invention relative to other models. In Fig. 10, the initial search process is disclosed. In Fig. 11, the first query sequence is made from the initial search.

These drawings illustrated the initial problem of identifying the location of two or more different sellers for which a search and request for bid are made by a buyer.

In Fig. 25, interactions are described between the buyer INA and the sellers' INAs. Further, Fig. 26 shows the negotiation interactions between the sellers' INAs and the buyer INA. In addition, Fig. 29 shows how problems are solved involving negotiation within a distributed network. Figs. 32 and 33 also illustrate the general INA architecture.

In particular, there is a challenge of overcoming the problems of latency and temporal connectedness between multiple sellers and a buyer that occurs in spatial differentiation in a distributed system. This problem set is overcome by using the present system as illustrated in Figs. 39A and 39B, which illustrates simultaneous negotiation with mobility of multiple INAs.

One of the main ideas of the present invention is the dynamics of the process of negotiation after the initial bid request. The winnowing process of the negotiation between multiple sellers and a buyer are shown in Fig. 36. Finally, the multivariate negotiation process is shown in Fig. 37.

Ferstenberg does not anticipate the claimed invention. Ferstenberg describes a "Computer Method and System for Intermediated Exchanges" (emphasis added). Specifically, Ferstenberg discloses an "intermediated exchange for financial commodities" which involves the interaction of "participants" that share the roles of buyers and sellers by using a central intermediary or agent. This central intermediary is

the main notion of the Ferstenberg invention, as indicated in the title, abstract and disclosure.

In contrast, the claimed invention recites buyer's negotiation agents that negotiate with multiple sellers' negotiation agents, not with a central intermediary. The claimed system removes the intermediary so that sellers can subtract not only the wholesale layer but even the retail layer in order for buyers to deal directly with manufacturers to the get the most efficient deals. By using a multivariate negotiation process, manufacturers compete on an even playing field beyond price alone.

The present invention advances the art of the field by solving problems of discovering how to remove the intermediary by conducting negotiations between a buyer and multiple sellers by using a purely distributed network. In order to do so, it constructs a cooperative communications network (CCN), which are vertical cooperatives comprised of industry-centric vendors, which constantly feeds new information into (and refreshes old information from) computational showcases that are accessed and inspected in real time by various buyers.

After initially searching for the items sought, buyers will request a bid for an item from several sellers. The negotiation process between the buyer INA(s) and the multiple sellers' INAs then proceeds as described in detail in the disclosure.

The claimed invention thus allows direct negotiation between a buyer and at least two sellers simultaneously in a distributed network, that is, not using a central portal.

In Ferstenberg, various buyers (participants) will buy from a single seller, much like a passive catalogue. Further, this traditional shopping model uses an intermediate central portal, which is straightforward.

Further, after the initial query for a bid from multiple sellers to a buyer, the present invention specifies procedures for narrowing the bidding process to a smaller group of sellers and, ultimately, to a single winning seller. Therefore, the present system is dynamic and consists of more than merely selecting a product for sale in a centralized portal as evident in Ferstenberg.

The multiple problems solved by using software agents to automatically negotiate in a distributed network between multiple parties at different locations show a clear advancement of the state of the art. The present system, for instance, is ideal for vertical industries with companies in multiple locations that need to buy and sell between each other in the supply chain. By automating the supply chain and removing the central portal of a traditional on-line auction, the present invention facilitates increased efficiencies not possible before.

Accordingly, claim 1 is patentable over Ferstenberg. Dependent claims 2-81 are also patentable, both because they derive patentability from their dependence from claim 1, and because each recites its own patentable features. Independent claims 82, 99, 100, 110, 112, 133, 136, 137, 149, 157 and 158 as well as their dependent claims, 83-98, 101-109, 111, 113-132, 134-135, 138-148, and 150-156, respectively, are also patentable over Ferstenberg for reasons analogous to claim 1.

Favorable action is solicited. The Examiner is invited to contact the undersigned attorney by telephone, mail or electronic mail in order to advance prosecution. Applicants acknowledge that a copy of any electronic mail communications will be made of record in the application file per MPEP section 502.03.

Respectfully submitted,

NEAL E. SOLOMON

Dated: December 18, 2007 By: /Neal Solomon/